

Message Text

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PAGE 01 KINSHA 03654 191426Z

ACTION AF-10

INFO OCT-01 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 FEAE-00 FPC-01 H-01 INR-07
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06
OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 /097 W
-----191608Z 008212 /45

R 191310Z APR 77

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC 3095

LIMITED OFFICIAL USE KINSHASA 3654

E.O. 11652: N/A

TAGS: ENRG EINV CG

SUBJ: PROBLEMS OF AMERICAN OIL COMPANIES WITH NEW ZAIRIAN TAX

REF: STATE 84895

1. AMOCO'S INFO THAT GULF HAS NOT PRESENTED COUNTERPROPOSAL TO GOZ IS INCORRECT. GULF HAS PROPOSED THAT LAW 007 BE ABOLISHED BUT HAS ALSO PRESENTED COUNTERPROPOSAL AS FOLLOWS:

2. "EACH PAYMENT OF Z4.00 PER BARRAL OF CRUDE EXPORTED SHOULD BE MADE TO THE COLLECTOR OF TAXES (AND NOT CUSTOMS AND EXCISE) AND CREDITED AGAINST THE ANNUAL INCOMVE TAX AND "PRELEVENT" LIABILITY OF EACH COMPANY AS PROVIDED FOR IN THE CONVENTION AND MINING LAW.

3. "ON THE REGULAR INCOME TAX PAYMENT DATE THE AMOUNTS ADVANCED BY EACH COMPANY WOULD BE COMPARED WITH THE AMOUNTS ACTUALLY DUE. IF THE COMPANIES' TAX AND 'PRELEVEMENT' LIABILITIES ARE FOUND TO BE IN EXCESS OF AMOUNTS ADVANCED, THE BALANCE DUE WOULD BE PAID TO THE GOVERNMENT. ANY EXCESS PAYMENT BY THE COMPANIES WOULD NOT REQUIRE A GOVT REFUND, BUT WOULD BE CREDITED AGAINST THE COMPANIES' FUTURE TAX AND 'PRELEVEMENT' LIABILITIES."

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4. GULF MANAGER KING TOLD US THAT HIS LATEST MEETING WITH GOZ FINANCE DIRECTOR MUANDA COULD BEST BE DESCRIBED AS AGREEMENT TO DISAGREE.

MUANDA TOOK POSITION THAT LAW 007 HAS EFFECTIVELY ABOLISHED GULF CONVENTION. KING TOOK POSITION THAT WAY MUST BE FOUND TO PRESERVE CONVENTION IN ACCORDANCE WITH PROPOSAL DESCRIBED ABOVE. MUANDA AND KING AGREED TO REFER MATTER TO GOZ FINANCE MINISTER

BOFOSSA AND THEN TO ECONOMIC, POLITICAL AND FINANCIAL COMMITTEE
CHAired BY NGUZA FOR DECISION.

5. AMB HAS MADE TWO REPRESENTATIONS TO NGUZA, MOST RECENTLY
ON APRIL 16, AND LEFT WITH HIM AIDE MEMOIRE OUTLINING GULF'S
COUNTERPROPOSAL. NGUZA ASSURED AMB THAT CONVENTION WOULD NOT
BE ABOLISHED AND THAT GOZ WOULD SEEK AMICABLE SOLUTION.
CUTLER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, NEGOTIATIONS, TAXES
Control Number: n/a
Copy: SINGLE
Sent Date: 19-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Litigation History:
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Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
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Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 11-Feb-2005 12:00:00 am
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
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Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2766529
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TAGS: ENRG, EINV, CG, US, GULF OIL, AMOCO OIL
To: STATE
Type: TE
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